

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4039

To amend the Truth in Lending Act to limit unauthorized use of credit cards by discouraging theft of credit cards that are mailed.

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IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 1994

Mr. ACKERMAN introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

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## A BILL

To amend the Truth in Lending Act to limit unauthorized use of credit cards by discouraging theft of credit cards that are mailed.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. REGULATIONS DISCOURAGING THEFT AND UN-**  
4       **AUTHORIZED USE OF CREDIT CARDS.**

5       (a) ISSUANCE OF REGULATIONS.—Section 134 of the  
6       Truth in Lending Act (15 U.S.C. 1634) is amended—

7               (1) by redesignating paragraphs (a), (b), (c),  
8               (d), (e), and (f) in order as paragraphs (1), (2), (3),  
9               (4), (5), and (6);

1           (2) by inserting before and above paragraph (1)  
2     the following:

3           “(a) PROHIBITIONS AND PENALTIES.—”; and

4           (3) by adding at the end the following:

5           “(b) DISCOURAGING THEFT OF CREDIT CARDS THAT  
6     ARE MAILED.—

7           “(1) REGULATIONS BY BOARD.—The Board, in  
8     consultation with the Federal Deposit Insurance  
9     Corporation and the Federal Trade Commission,  
10    shall issue regulations covering the matters de-  
11    scribed in paragraph (2) to discourage theft of credit  
12    cards that are mailed.

13          “(2) CONTENTS.—Regulations under this sub-  
14    section shall—

15               “(A) require that a credit card issuer, be-  
16               fore mailing any credit card, shall notify the  
17               person to whom the card is mailed that the  
18               card is being mailed;

19               “(B) prohibit a credit card issuer from  
20               mailing a credit card other than in an inactive  
21               status;

22               “(C) prohibit a credit card issuer that  
23               mails a credit card from activating the credit  
24               card before the person to whom the card is is-

1           sued notifies the credit card issuer that the  
2           card has been received; and

3           “(D) require a credit card issuer that  
4           mails a credit card to establish a toll-free tele-  
5           phone number by which a person may notify  
6           the credit card issuer pursuant to subparagraph  
7           (C).

8           “(3) OTHER REGULATIONS.—Each of the agen-  
9           cies referred to in section 108(a) shall prescribe reg-  
10          ulations that are substantially similar to regulations  
11          prescribed by the Board under paragraph (1) and  
12          that shall apply to the entities referred to in that  
13          subsection.”.

14          (b) DEADLINE FOR REGULATIONS.—Regulations  
15          shall be issued in accordance with the amendment made  
16          by subsection (a)—

17               (1) by the Board of Governors of the Federal  
18               Reserve System, by not later than 1 year after date  
19               of enactment of this Act; and

20               (2) by each of the agencies referred to in sec-  
21               tion 108(a) of the Truth in Lending Act, by not  
22               later than 180 days after the date of the issuance  
23               of regulations pursuant to paragraph (1).

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